



Certificate of Need: A Call for Action

The Missouri Health Facilities Review Committee has streamlined the CON review process by over 25% this year . . . now, legislative attention is needed to complete this reform!

In 2000, health insurance premium increases in the U.S. more than doubled to a rate of 7.5%, as compared to an average of 3.3% for 1994–1997. At the same time in Missouri, premium increases of up to 40% were reported. Because of rising health care costs, many have had to forego insurance coverage, resulting in over 43 million un-insured Americans and another 25 million under-insured. The Congressional Budget Office also estimates that 200,000 people will lose coverage for every 1% increase in insurance costs. Health care costs are out of control again!

The shift of emphasis from inpatient to outpatient care has reduced the reliance on hospital beds. Therefore, many areas in the state now have an excess of hospital beds that are costly to maintain. Over two-thirds of health care funding comes from public sources such, as Medicare and Medicaid. Since we can no longer afford to do everything for everybody everywhere, reallocation of scarce health resources becomes more important in an era of diminishing financial assets. Meanwhile, the drift of services away from rural and inner-city areas exacerbates the situation for the under-served and un-insured.

Certificate of Need (CON) in Missouri is specifically designed to focus on cost containment and access issues. CON is meeting this challenge as it reviews health service proposals and provides opportunities for public input toward improving the health care system for our communities. However, with the unpredictability of the ever-changing health care system, improvements are needed now to enhance its effectiveness, efficiency and accountability.

Since 1979, CON has been effective in restraining unnecessary expenditures and protecting vital community resources. Over the last ten years, nearly a billion dollars in capital expenditures were avoided because of CON. Annual reductions in Medicaid expenses alone exceed over \$15 million per year. Yet, the cost to operate the CON Program is covered almost entirely through application fees with no net cost to the taxpayers.

CON also promotes effective health care planning through sound management and community needs assessment. Diligent and responsible planning for new health care services and facilities improves their chances for success. The CON Program is an opportunity to document this planning and promote these proposed health services to the community to be served.

Changes in reimbursement, escalating operating costs and lack of key personnel are causing a number of health care providers to shift their resources, reduce services and, in some cases, close operations. CON should monitor these trends and disseminate information

In response to an evolving health care system, the Missouri Health Facilities Review Committee, which oversees CON, has established a mission to achieve the highest level of health for Missourians through cost containment, reasonable access, and responsive public accountability. The Committee cannot do this alone. It requires a broad cooperative effort among providers, consumers and payors.

Important questions are being raised about how to eliminate artificial expenditure minimums for review and to emphasize planning. The public needs a forum where they have a voice in health care decisions affecting their communities. Health care costs must be contained!

NOW IS THE TIME to adapt CON to the health care needs of the citizens of Missouri! The Committee has streamlined the CON review process by over 25%. It must now be refocused to emphasize cooperation, collaboration, community need and continuance of public input.

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